# Prioritizing European Resiliency: A Strategic Response to Inflationary Pressures and Foreign Policy Challenges

#### December 2022

The European Commission affirms its resolve and commitment to address the needs of our citizens during a period of unprecedented global turmoil. In this trying year, Europeans have demonstrated determination, resilience, and a sense of duty when faced with rising energy costs and global food insecurity brought on by the Russian invasion of Ukraine. The invasion and its effects have called for a continued partnership with NATO to ensure regional stability. Finally, continued territorial disagreements between Greece and Turkey in the Aegean Sea undermine our efforts to work constructively with the leaders from both countries in helping to resolve policy and security concerns in the region. It also highlighted once again the importance of developing a comprehensive 'European' response to transnational problems and strengthening our institutions.

Thus, we are committed to working with Member States to ensure a coordinated response—including consideration of national emergency measures— that utilizes all available EU resources to ensure financial and material stability of our citizens. We also maintain our conviction to marshal the full power of this Union to address ongoing foreign policy issues that are critical to preserving EU security and maintaining the rules-based international order. To address these broad range of policy matters, the following stipulations are proffered for collective consideration:

#### **PREAMBLE**

**WHEREAS** the European Union (EU) has consistently sought to deepen integration among Member States and declare our shared commitment to promoting democratic principles, the following should be considered:

- 1. That we are a broad, diverse community historically divided by conflict and misgivings for centuries, now dedicated to jointly overcoming strategic challenges.
- 2. That the EU is an institution that stands for human freedom, democratic principles, the rule of law, and the upholding of fundamental rights.
- 3. That closer integration between Member States will strengthen our shared values and create greater benefits for our citizens.
- 4. That this bloc will continue to build economic, political, and social partnerships that enhance Europeans' standard of living and reinforce the EU's global influence.
- 5. That we adopt policies that position Europe to withstand future economic or political crises through sound economic reforms, responsible foreign policies, and technological cooperation.

# On Enhancing Our Energy and Food Security

#### A Unified Response to the Ongoing Energy Crisis

WHEREAS the ongoing energy crisis originates from the Russian decision to invade and infringe on the sovereignty of Ukraine and requires a continued, unified response. Since 2014 due to the illegal annexation of Crimea, the EU has imposed numerous restrictive measures against Russia, including individual sanctions, economic sanctions, and diplomatic measures. In addition to these sanctions, with the Versailles Declaration of March 2022, leaders of all Member States agreed to phase out the EU's dependence on Russian fossil fuels and in June 2022, the EU adopted the sixth package of sanctions against Russia that included a ban of oil imports and called for the phasing out of Russian fossil fuel imports, 6 months for crude oil to 8 months for other refined petroleum products.

WHEREAS the energy crisis undermines the economic security and contributes to the cost-of-living crisis for the Member States, industries, and citizens. The EU in June 2022 has called for 1) a diversification of the energy supply sources and routes, 2) an acceleration in the deployment of renewable sources of energy, 3) enhancing energy efficiency standards, and 4) improving interconnections in the gas and electricity networks of the Member States. Referring to the Versailles Declaration and recent European Council conclusions, EU leaders also reiterated the invitation to the Commission to explore with international partners ways to curb rising energy prices, including the feasibility of introducing temporary price caps.

WHEREAS there is an uncertainty in the availability of energy resources for the 2022-2023 winter and in subsequent periods for the Member States due to disruptions brought on by the Russian invasion of Ukraine. In May 2022, the Council put in place a provisional agreement with the European Parliament on a new regulation on gas storage. In October 2022, the Member States then adopted a Council Regulation on an emergency intervention to address high energy prices. The regulation introduces common measures calling for a reduction in electricity use, capping revenues of electricity producers, and a redistribution of the energy sector's surplus revenues to households and small and medium-sized enterprises.

WHEREAS the current energy crisis highlights the need to implement the EU's European Green Deal more quickly. Energy efficiency must be prioritized, and a power sector that is based largely on renewable sources must be developed, complemented by the rapid phasing out of coal and other fossil fuel sources. At the same time, the EU's energy supply needs to be secure and affordable for consumers and businesses. It is essential to ensure that the European energy market is fully integrated, interconnected, and digitalized.

**BE IT HEREBY RESOLVED** to lessen dependency on Russian energy imports, the EU agrees on a ban of almost 90% of all Russian oil imports by the end of 2022, tasking Member States to phase out Russian gas, oil, and coal imports as soon as possible and to seek out alternative sources of energy imports, to enact legislation that speeds up permit-granting procedures for renewables projects, and improves innovation, capacity, skills, and supply chains.

**BE IT HEREBY RESOLVED** to increase the EU's security of energy supply, the EU calls for a voluntary reduction by the Member States of natural gas demand by 15% compared to their average consumption in the past five years, with measures of their own choice to reflect the particular situations of Member States and to ensure that the gas reductions are effective in increasing security of supply in the EU.

**BE IT HEREBY RESOLVED** that the EU calls for a voluntary overall reduction target of 10% of gross electricity consumption and a mandatory reduction target of 5% of the electricity consumption in peak hours. Member States will be free to choose the appropriate measures to reduce consumption for both targets in this period.

**BE IT HEREBY RESOLVED** that there is a call for an expanded role of the Council in triggering the 'Union alert', activated based on a proposal from the Commission. The Commission shall present a proposal to trigger a 'Union alert' in case of a substantial gas shortage or an exceptionally high gas demand, or if five or more Member States that have declared an alert at the national level request the Commission to do so.

**BE IT HEREBY RESOLVED** that the EU calls for a cap on the market revenues for electricity generators, including intermediaries, that use so-called inframarginal technologies to produce electricity, such as renewables, nuclear and lignite. The level of the cap should be designed to preserve the profitability of the operators and avoid hindering investments in renewable energies. This should additionally allow Member States to use measures of their choice to collect and redirect the surplus revenues towards supporting and protecting households and small and medium-sized enterprises.

## A Unified Response to the Global Food Security Crisis

WHEREAS the 2019 State of Food Security and Nutrition in the World report, published jointly by the FAO, WFP, IFAD, UNICEF and WHO, found that around 690 million people (8.9% of the world's population) were chronically undernourished. This figure was an increase of 12 million more than in 2018 and 60 million more than in 2014. Regionally, Africa has the highest rate of undernourishment with 18.8% or 39.6 million of the population affected, and with 378.7 million, Asia is the region with the most undernourished people.

**WHEREAS** in the 2021 United Nations Climate Change Conference (COP26), participating EU countries, as part of the discussions on agriculture, agreed on the need for a transition towards sustainable and climate-resilient food systems, taking into consideration the vulnerability of agriculture to the impacts of climate change. The EU recognizes that this transition will be crucial to guarantee food security and ending hunger throughout the globe as well as to achieve climate objectives, such as emission reductions.

WHEREAS with the common agricultural policy (CAP), the European Commission aims to ensure that agriculture makes a strong contribution to the EU's climate policies. As part of the European Green Deal, the Farm to Fork strategy outlines the framework for a transition towards a sustainable food system, where the agricultural sector protects the climate while meeting demands for food security both within the EU and globally.

WHEREAS the Russian invasion of Ukraine has resulted in a reduction of agricultural exports from Ukraine, contributing to global food insecurity and concerns of food affordability. The European Council in June 2022 called on Member States to work together to tackle global food insecurity by considering, 1) solidarity through emergency relief and support for affordability, 2) boosting sustainable production, resilience and food system transformation, 3) facilitating trade by helping Ukraine export agricultural products via different routes and supporting global trade, and 4) effective multilateralism and strong support to the central role of the UN Global Crisis Response Group to coordinate the global efforts.

**BE IT HEREBY RESOLVED** that the EU calls for the Member States to affirm their commitment to end hunger and all forms of malnutrition, in line with the new European Consensus on Development, the European Consensus on Humanitarian Aid, the 2030 Agenda and the realization of the right to food.

**BE IT HEREBY RESOLVED** that the EU and its Member States shall work towards the implementation of the Paris Agreement and the promotion of climate-sensitive agriculture, acknowledging the important role of agricultural practices in adapting to and mitigating climate change, to protect biodiversity and ecosystems, to combat land degradation and desertification, with the goal of countering the severe impact of climate change on agriculture and the global food supply.

**BE IT HEREBY RESOLVED** that the EU and its Member States are encouraged to enhance support to the Global Network against Food Crises; to strengthen the resilience of the most vulnerable countries in line with the EU Global Strategy; to acknowledge the links between armed conflict, food insecurity and the threat of famine; and to commit to enhance the implementation of UN Security Council Resolution 2417.

**BE IT HEREBY RESOLVED** that the EU has already pledged €2.5 billion (€1.4 billion for development and €1.1 billion for humanitarian aid) for international cooperation with a nutrition objective in the period 2021-2024. In 2021–27, the EU is committed to support food security in about 70 partner countries, including over €1 billion for partners in the Sahel and €633 million to strengthen food systems and resilience in the Horn of Africa.

**BE IT HEREBY RESOLVED** to combat the global food crisis resulting from Russia's invasion of Ukraine, the EU calls for an allocation of €600 million from the European Development Fund to help the most vulnerable countries in Africa, the Caribbean, and Pacific. The funds will finance immediate humanitarian food aid, food production, and resilience of food systems in these countries. Within the EU, €500 million will additionally be distributed in national allocations to

directly support EU farmers most affected by higher input costs and the closure of export markets. EU Member States can complement this support up to 200% with national funds. Additionally, the EU calls for enhanced resiliency in agricultural production by reducing the dependency of European agriculture on energy, energy intensive imports, and feed imports.

**BE IT HEREBY RESOVLED** to ease logistical pressures and help expand crucial Ukrainian agricultural exports, the EU calls for the establishment of 'solidarity lanes' to optimize supply chains and controls between Ukraine and the EU, to establish new transport routes and to avoid bottlenecks by bringing together industry and logistics representatives of Member States and Ukrainian authorities. An EU Emergency Support Programme of €330 million for Ukraine should also be made available to secure access to basic goods and services of its citizens.

# On Enhancing Regional Security in Our Neighbourhood

## Reinvigorating the EU-NATO Relationship

WHEREAS the security of the EU and NATO are joined. Twenty-one EU Member States are also NATO allies, improving Europe's ability to deploy a broad range of tools and make efficient use of resources to address the unpredictable security environment, especially in our response to the Russian invasion of Ukraine. EU-NATO cooperation constitutes an integral pillar of the EU's work aimed at strengthening European security and defence as part of the implementation of the EU Global Strategy. Our cooperation is reinforcing, helping to ensure both a stronger EU and a stronger NATO.

**WHEREAS** in 2016 and 2018, the EU and NATO signed two Joint Declarations, starting a new era in our partnership. It was agreed to expand our cooperation in seven areas: countering hybrid threats, operational cooperation (including at sea and on migration), cyber security and defence, defence capabilities, defence industry and research, exercises, and support to our Eastern and Southern partners' capacity-building efforts.

WHEREAS our strategic partnership is more robust and relevant than ever at this critical moment for Euro-Atlantic security following the Russian invasion of Ukraine. Political dialogue at all levels has further intensified, demonstrating NATO and EU unity and our common resolve in condemning Russia's war of aggression and in expressing full solidarity with Ukraine, its sovereignty and territorial integrity, as well as its right to self-defence.

**WHEREAS** military mobility remains a "flagship" of NATO-EU cooperation and a high priority for both organizations in light of the new security environment. The Structured Dialogue on Military Mobility continues to serve as an effective format for staff discussions on shared priorities.

WHEREAS recent events have shown that developing further crisis management capabilities, improving preparedness to deal with crises, and strengthening resilience in the face of crises have become all the more important, the EU and NATO have successfully completed the Parallel and Coordinated Exercises (PACE) pilot project in 2017-2018, with additional PACE exercises currently prepared for 2022-2023.

**WHEREAS** further deepening the progress made in implementing the 2016 and 2018 Joint Declarations and bringing together relevant entities through the establishment of new mutual security commitments will improve our collective security. Furthermore, it will emphasize the importance of reciprocity and respect for our respective decision-making bodies. The NATO Secretary General and the EU High Representative shall regularly report to NATO allies and EU Member States on progress in designated areas of cooperation.

**BE IT HEREBY RESOLVED** that a stronger and more capable EU in the field of security and defence will contribute positively to global and transatlantic security and is complementary to NATO, which remains the foundation of collective defence for its members. The transatlantic relationship and EU-NATO cooperation, in full respect of the principles set out in the Treaties and those agreed by the European Council, including the principles of inclusiveness, reciprocity and decision-making autonomy of the EU, are key to our overall security.

**BE IT HEREBY RESOLVED** to better balance our partnership with NATO and protect our citizens, while acknowledging the specific character of the security and defence policy of certain Member States, we must resolutely invest more and better in defence capabilities and innovative technologies. Member States are called to increase defence expenditures, develop collaborative investments in joint projects and joint procurement of defence capabilities, invest further in the capabilities necessary to conduct the full range of missions and operations, invest in critical and emerging technologies and innovation for security and defence, and take measures to strengthen and develop their defence industry.

**BE IT HEREBY RESOLVED** that there is a need to reinforce our civilian and military common security and defence policy (CSDP) missions and operations by providing them with more robust and flexible mandates, promoting a rapid and more flexible decision-making process and ensuring greater financial solidarity, while also promoting close cooperation with European-led *ad hoc* missions and operations. We will strengthen our civilian CSDP through a new Compact complementing the 2018 Compact allowing for faster deployment.

**BE IT HEREBY RESOLVED** that we invite the Commission, in coordination with the European Defence Agency, to also put forward an analysis of the defence investment gaps by May 2023 and to propose any further initiative necessary to strengthen the European defence industrial and technological base.

**BE IT HEREBY RESOLVED** that the Neighbourhood Development and International Cooperation Instrument and other relevant EU programs as well as the use of the European Peace Facility be used to intensify capacity building, and train and equip our partners in Africa, our eastern and

against hy	southern neighbourhood as well as the Western Balkans, and to strengthen their resilie against hybrid threats.						